CHINA'S MULTILATERAL ASSISTANCE

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Statement in advance

Tracking China's aid and other development finance is "a difficult and contested field of research" (Xu and Carey, 2015, p.3), with challenges of classification and a lack of official data. As a result there are wide-ranging estimates.

This presentation is more of a conceptual and theoretical study than that with detailed statistics

I. LITERATURE REVIEW

Well-known scholars

Deborha Brautigam
Kitano Naohiro
Li Xiaoyun
Huang Meibo
Luo Jianbo
etc.

Institutes:

JICA, SAIS, LOWY, AIDdata, etc

Focus of study:

Much of the literature on China's aid focuses on China and Africa.

II. DIFFERENT DEFINITION OF MULTILATERAL ASSISTANCE

1. Foreign aid VS ODA

In the *White Paper* published in 2014, the term 'foreign aid' refers to those activities which provide economic, technical, material, human resources, and administrative support to recipient countries, supported by the Chinese government's 'financial resources for foreign aid'.

- The principal forms of Chinese foreign aid are: complete projects; goods and materials; technical cooperation and human resources development cooperation; medical teams and volunteers; emergency humanitarian aid; and debt relief (for interest free loans) (State Council, 2014). China rarely gives cash aid.

- There are some key differences in what is defined as aid by China compared with DAC member states. China includes military assistance, construction of sports facilities and subsidised loans for joint ventures and cooperative projects, which are excluded from ODA (Zang and Smith, 2017: 2-3; Bräutigam, 2011, p.756). Meanwhile China excludes scholarships for students studying in China, costs of some newly arrived refugees inside the host country and donor administrative costs of aid, all of which are allowed as ODA under the DAC (Bräutigam, 2011, p.756; Grimm et a, 2011, p.7); Strange et al, 2017, p.939).

- **2. Different perception of multilateral assistance**
- OECD

Multilateral assistance represents core contributions from official (government) sources to multilateral agencies where it is then used to fund the multilateral agencies' own programs, it composes flow of sources from specific countries to multilateral agencies. Multilateral agencies may also receive funds from other sources, such as the general public or from other private donors (OECD, 2011).

Multilateral assistance is a measure of official development aid (ODA). These are official contributions of specific counties to multilateral organizations whose governing boards have the unqualified right to allocate as they see fit within the rules and regulations of the organizations.

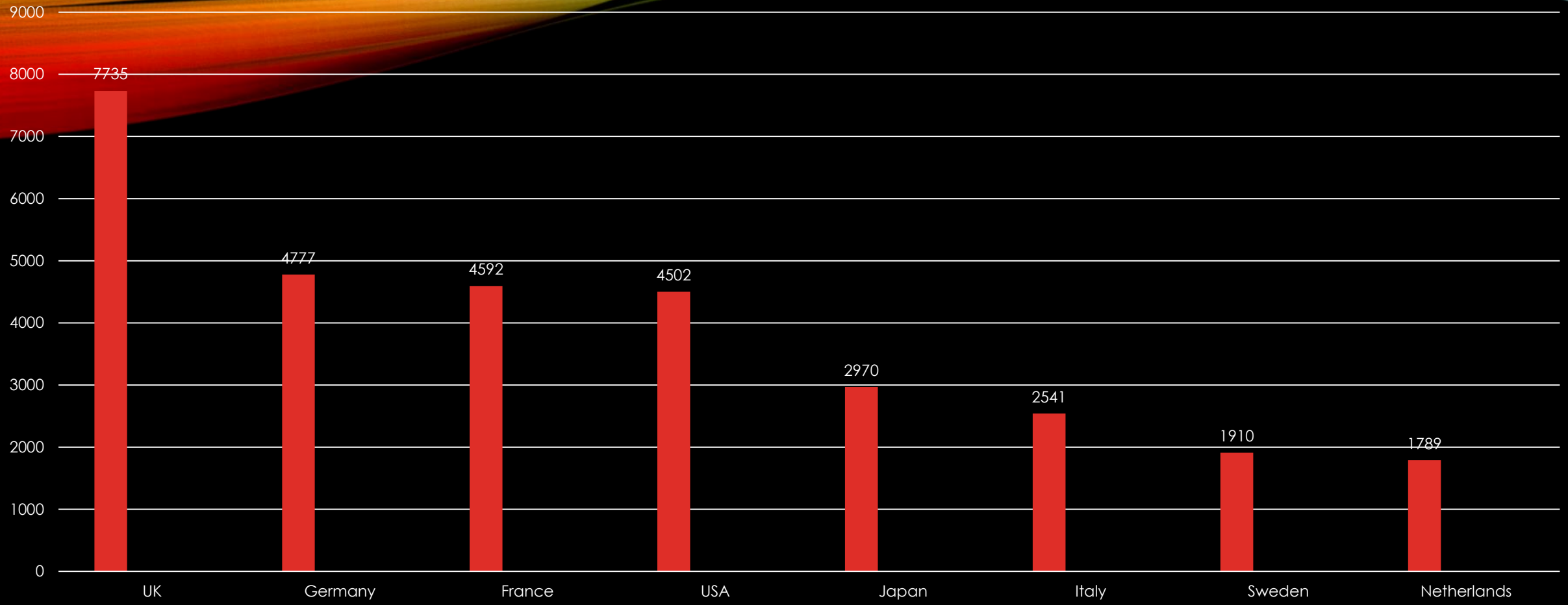


Figure 1 Top ten providers of core funding in 2013 unit: million $

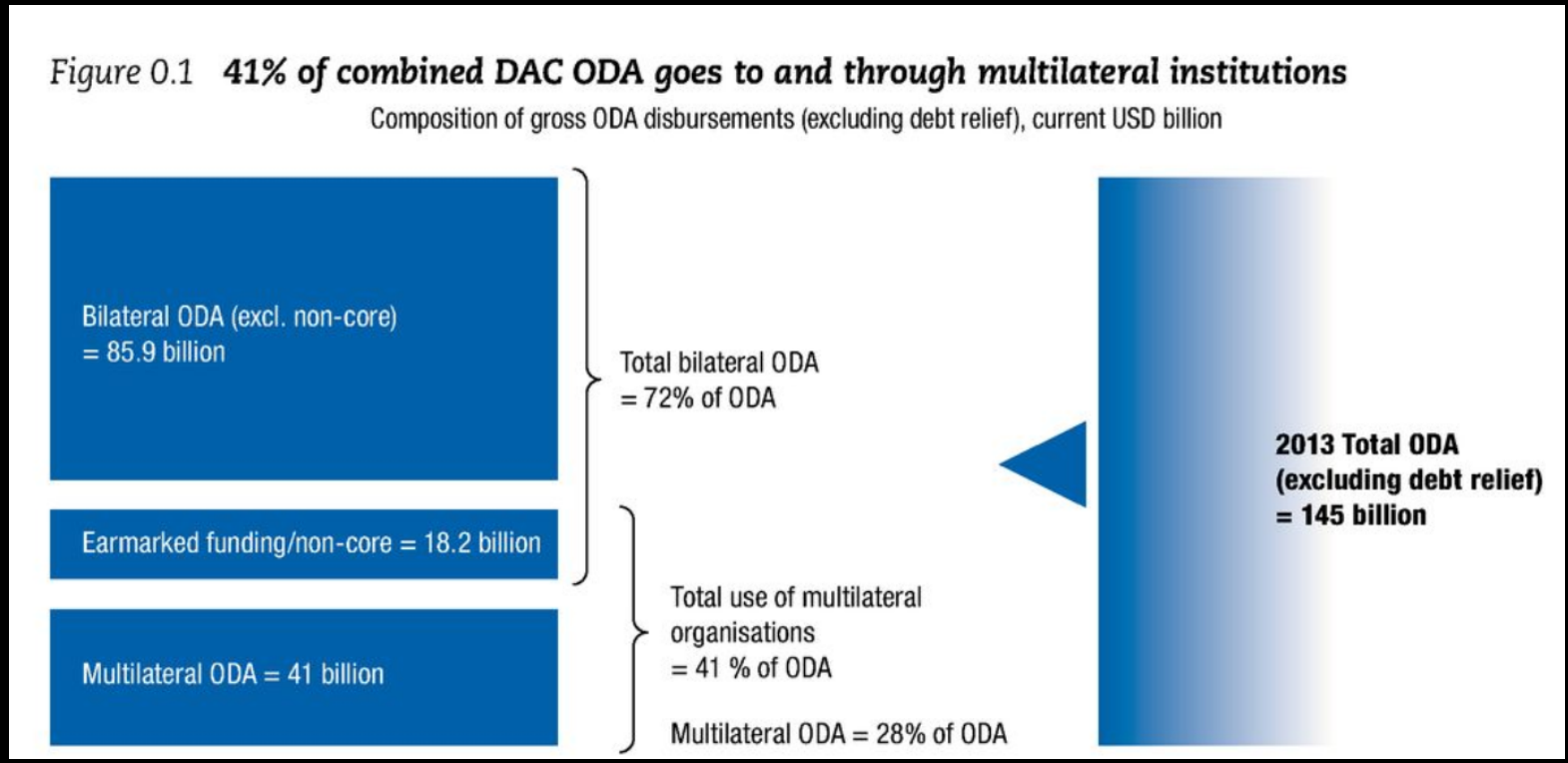
Source: Multilateral Aid 2015: Better Partnerships for a Post-2015 World,

https://asset.keepeek-cache.com/medias/domain21/_pdf/media2130/331790-826etwbm7x/large/0.jpg

- core contributions mainly flow to six institutions，namely, EU, the UN system, the International Development Association (IDA)of the World Bank, African Development Bank, Asian Development Bank and Global Fund.

- **Mofcom**
- The Ministry of Commerce of the People's Republic of China tends to classify China's donation (including funds and materials) to the multilateral organizations, technical aid organized by the multilateral organizations and technical training of personnel to many countries at one time as multilateral aid (Xiong, 2010, pp. 49-63).

- OECD countries provide multilateral aid accounting for 28% in average of their total ODA.
- While China provides multilateral aid only accounting for 3% of its total foreign aid.



III. EVOLUTION OF CHINA'S MULTILATRALISM

- 1. Selectively joining some international organizations and assessments (1971-1978).
- Till 1977, China joined 21 international organizations.

NAME OF IO	JOINING TIME	DONATION TIME	NOTE
UNESCO	1971	1971	RESUME LEGAL SEAT, COOPERATION AFTER 1978
WHO	1972	1972	RESUME LEGAL SEAT
UNDP	1972	1972	$400,000 AND RMB3,200,000
UNEP	1973	1976	Regular donation since1982
UNIDO	1973	1973	SPECIAL DONATION TO IDF
FAO	1973	1973	
CAAC	1974	1974	

- 2. multilateral assistance taker and donor (1978-2004)
- In 1993, UNESCO rual Education research and training center to share experience with other developing countries.
- 3. shift from multilateral assistance taker to multilateral donor (2005-2013)
- Remarks made by President HU at the High-Level Meeting on Financing for Development at the 60th Session of the United Nations ushered In a new era of China's multilateral assistance.

- 4. multilateral assistance after the 18th Party Congress of CCP
- 2015 marked the milestone of China's participation in multilateral assistance
- Common development ideology
- South-south cooperation assistance fund
- International development knowledge center

IV. FROM MULTILATERAL ASSISTANCE TO MULTILATERAL COOPERATION

Since 2000, China's has had "an unprecedented acceleration in economic and development cooperation" due to the 'Going out' policy (Bohoslavsky, 2016, p.9).

1. Ideologies in related to development cooperation

Common development

Four concepts of development : equity, openness, comprehension and innovation

Community of shared future

One belt one road

Some concepts are written in documents of UN, G20, APEC, SCO and so on

- 2. practice of initiatives

One belt one road: 125 countries and 29 Ios, 173 documents

2013-2018, Trade volume: US$ 6 trillion, FDI: US$ 90 billion, projects implemented worth US$ 400 billion

AIIB

NDB

Silk and Road Fund

- The ‘Going out’ (or ‘Going Global’) policy endorsed by the Chinese government in 2000 has led to a series of Chinese initiatives – such as the One Belt, One Road initiative and the Asian Infrastructure Investment Bank – which (along with the BRICS New Development Bank) “imply a new economic and political geography of international development cooperation” (Carey and Li, 2016, p.13).

3. Various cooperation with international organizations

Besides assessments, there are:

Other donations to Ios

Trust fund

Humanitarian aid

Training center

Research center

Cooperation center

Active participation south-south cooperation under frameworks of some Ios

- 4. knowledge sharing: China approach and China experience
- China international development knowledge center
- Training center co-funded by China and los

- 5. multilevel development cooperation with developing countries
- Development cooperation with UN system
- Development cooperation with regional los
- Development cooperation with financial organizations
- Development cooperation under various frameworks
- FOCAC, “16+1”, South-South aid fund; Silk road fund, Lancang-Mekong Cooperation; Great Mekong Subregion Cooperation; China-PacificIsland Countries Economic Development & Cooperation Forum ……

- 6. cooperation with NGOs

V. CHALLENGES

- Data and statistics
- Fragmentized management
- Law issue
- Small percentage

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Thank you!